FACT SHEET

# Emergency Unemployment Compensation & Extended Benefits

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There are two possible options for paying additional unemployment benefits during periods of high unemployment: Emergency Unemployment Compensation (EUC) and extended benefits. Both programs were in effect during the Great Recession and early years of the recovery.

***Emergency unemployment benefits must be authorized by Congress***

## Emergency Unemployment Compensation

Emergency Unemployment Compensation (EUC) provides additional weeks of benefits to people who have used all of their regular unemployment benefits. The weekly benefit amount is the same as a claimant's regular unemployment benefits.

EUC must be authorized by Congress, and is funded 100 percent by the federal government. The benefits do not affect employers' experience rating or benefit charges, and we do not bill reimbursable employers (e.g., government agencies, tribes and some non-profits).

During the Great Recession, Congress activated EUC in July 2008, providing up to 13 extra weeks of unemployment benefits in all 50 states. Congress later revised and expanded the program into four "tiers" that, together, provided up to 34 weeks of benefits in all states **plus** another 19 weeks of benefits in states (such as Washington) whose three-month average unemployment rate exceeded 8.5 percent – for a maximum of 53 weeks of benefits.

In early 2012, Washington's improved unemployment rate made the state ineligible for the fourth tier of EUC; it shut off on April 21, 2012, reducing the total EUC weeks to 47. In September, EUC benefits dropped by another 10 weeks, to a total of 37 – and the program finally ended on Dec. 29, 2012.

***Workers receive extended benefits after all regular benefits and EUC benefits have been claimed***

## Extended benefits

Extended benefits are paid after all regular benefits and Emergency Unemployment Compensation have been paid. Normally, the benefits are paid 50/50 by the federal government and the state's unemployment trust fund; but during the Great Recession, the federal government paid the entire cost because many states' trust funds were bankrupt. People receiving extended benefits are required to look more rigorously for work, and they must accept any job that pays at least as much as their weekly benefits (or minimum wage, if higher).

Under state law, up to 13 weeks of extended benefits are payable starting the third week after either of these unemployment-rate "triggers" is met.

- **Option #1: "total unemployment rate."** If the seasonally adjusted unemployment rate averages at least 6.5 percent over three months **and** is at least 10 percent higher than the same two-month period three years ago; or
- **Option #2: "average insured-unemployment rate."** For the current week and preceding 12 weeks, if at least 5 percent of insured workers are receiving unemployment benefits **and** that rate is at least 20 percent higher than the 13-week average for the same period in all of the past two years.

In early 2009, the U.S. Department of Labor determined that Washington qualified under Option #1; benefit payouts began Feb. 15, 2009. In May 2009, after the state's seasonally adjusted, three-month average unemployment rate reached 8 percent, claimants could receive up to 7 additional weeks of extended benefits, for a total of 20 weeks. The program was shut off on April 21, 2012, when the state no longer met the criteria.

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